

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-08 FRB-01 INR-10

NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07 CEA-01

L-03 H-02 PA-02 JUSE-00 /103 W

-----009914 280704Z /15

R 280540Z MAR 78

FM AMCONSUL DHAHRAN

TO AMEMBASSY JIDDA

USLO RIYADH

SECSTATE WASHDC 6124

USDOC WASHDC

UNCLAS DHAHRAN 0409

E.O. 11652: N/A

TAGS: ETRD, BTIO, SA

SUBJECT: US FIRM'S DIFFICULTIES WITH LOCAL BANKS OVER BOYCOTT  
PROVISIONS IN LETTERS OF CREDIT

REF: (A) JIDDA 1499, (B) JIDDA 1521

1. JAY D. FARGUHAR, SALES MANAGER FOR SEA-LAND SERVICE INC.,  
TOLD CONSOFFS MARCH 27 THAT LOCAL BANKS IN ALKHOBAR AND DAMMAM ARE  
STILL DEMANDING "BLACK-LIST" CERTIFICATE TO BE ADDED TO LETTERS  
OF CREDIT. THIS DEMAND BY BANKS HAD CAUSED SEA-LAND, WHICH WAS  
UNABLE TO COMPLY UNDER EXPORT ADMINISTRATION ACT REGULATIONS, TO  
LOSE BUSINESS TO FOREIGN COMPETITORS WHO WOULD ACCEPT "BLACK-LIST"  
ADDENDUM.

2. FOLLOWING DOCUMENT OBTAINED FROM AL BANK AL SAUDI AL-FRANSI  
(FORMERLY BANQUE DE L'INDOCHINE ET DE SUEZ) BY FARGUHAR IS CRUX  
OF PROBLEM: OJPTAL-BANK AL-SAUDI AL-FRANSI  
BANQUE DE L'INDOCHINE ET DE SUEZ  
INCORPORATED IN FRANCE WITH LIMITED LIABILITY

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ATTACHMENT NO 1 TO LETTER OF CREDIT NO DATED  
ADDITIONAL DOCUMENTS ALSO REQUIRED IN DUPLICATE:  
(AS PER SAUDB BIAN MONETARY AGENCY CIR. JED. 20.1264)

1) CERTIFICATE ISSUED BY THE STEAMSHIP COMPANY STATING THAT  
THE STEAMER IS NOT BLACK-LISTED AND IS NOT SCHEDULED TO CALL  
AT ANY ISRAELI PORTS DURING HER VOYAGE TO SAUDI ARABIA. THIS

CERTIFICATE IS TO BE LEGALIZED BY A SAUDI REPRESENTATIVE IN THE EXPORTING COUNTRY, OR, IF NOT AVAILABLE, THE LEGALIZATION OF THE CHAMBER OF COMMERCE OR INDUSTRIAL UNION WILL BE ACCEPTABLE.

2) WHEN AN INSURANCE POLICY OR CERTIFICATE IS REQUIRED, SD FURTHER CERTIFICATE IS REQUIRED FROM THE INSURANCE COMPANY STATING THAT IT IS NOT BLACK-LISTED. THIS CERTIFICATE IS TO BE LEGALIZED BY A SAUDI REPRESENTATIVE IN THE EXPORTING COUNTRY, OR IF NOT AVAILABLE, THE LEGALIZATION OF THE CHAMBER OF COMMERCE OR INDUSTRIAL UNION WILL BE ACCEPTABLE.

3) CERTIFICATE OF ORIGIN STATING THAT THE GOODS ARE OF PURE NATIONAL ORIGIN OF THE EXPORTING COUNTRY. THIS CERTIFICATE IS TO BE LEGALIZED BY A SAUDI REPRESENTATIVE IN THE EXPORTING COUNTRY, OR IF NOT AVAILABLE, LEGALIZATION OF THE CHAMBER OF COMMERCE OR INDUSTRIAL UNION AT THE EXPORTERS' PORT WILL BE ACCEPTABLE.

N.B. CREDIT COVERING SHIPMENTS FROM ARAB STATES, OTHER THAN FREE ZONES, WILL NOT REQUIRE THE AFOREMENTIONED CERTIFICATES AS ARAB STATES ARE EXEMPT FROM THESE REGULATIONS.

3. CONSOFFS INFORMED FARGUHAR OF CONTENTS REFTEL B, AND FARGUHAR SAID THAT HE HAD ALREADY HAD SOME INDICATION OF NEW SAG PROCEDURES FOR LETTERS OF CREDIT. HOWEVER, WHENOTE TELEPHONED SAUDI ARABIAN MONETWRY AGENCY TO OBTAIN NUMBER UNCLASSIFIED

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OF SAMA CIRCULAR THAT MIGHT SUPERCEDE JED 20.1264 (MENTIONED IN PARA 2 ABOVE), HE WAS TOLD THAT U.S. EMBASSY JIDDA WOULD HAVE TO GET SUCH DOCUMENTS. HE WAS THEREFORE UNABLE TO OBTAIN ANY NEW SAMA CIRCULAR NUMBER WHICH WOULD EXEMPT SEA-LAND FROM BANKS' REQUIREMENT FOR "BLACK-LIST" CERTIFICATE.

4. FOR JIDDA AND RIYADH: HAS SAMA ISSUED NEW CIRCULAR TO BANKS IN ACCORDANCE WITH NEW SAG PROCEDURES AS OUTLINED REFTEL B? WILL MINISTRY OF COMMERCE MEMORANDUM SUFFICE FOR SEA-LAND TO GET BANKS TO STOP REQUIREING "BLACK-LIST" CERTIFICATE, AND WHEN WILL TEXT OF MEMORANDUM BE PUBLISHED AND DISSEMINATED? BUSHNELL

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NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Page Count:** 2  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 JIDDA 1499, 78 JIDDA 1521  
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**Review Release Event:** n/a  
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**Status:** NATIVE  
**Subject:** US FIRM'S DIFFICULTIES WITH LOCAL BANKS OVER BOYCOTT PROVISIONS IN LETTERS OF CREDIT  
**TAGS:** ETRD, BTIO, SA  
**To:** JIDDA USLO RIYADH MULTIPLE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014